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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

VE3-5-036A

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8- 49179

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/02 AND ENDING 12/31/02  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Van Eck Capital, Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

99 Park Avenue

(No. and Street)

New York

New York

10016

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Bruce J. Smith

(212) 293-2050

(Area Code — Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Richard A. Eisner & Company, LLP/Now Known As

Eisner LLP

(Name — if individual, state last, first, middle name)

750 Third Avenue

New York

NY

10017

(Address)

(City)

(State)

(Zip Code)

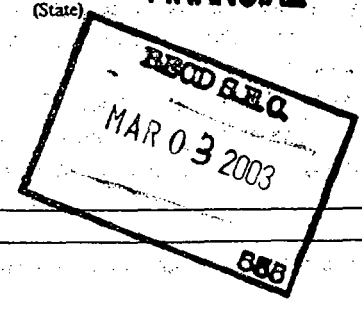
CHECK ONE:

- ☒ Certified Public Accountant
- ☐ Public Accountant
- ☐ Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 20 2003

THOMSON  
FINANCIAL



FOR OFFICIAL USE ONLY
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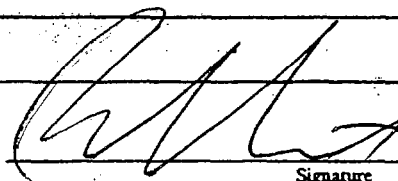
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

MAR 19 2003

## OATH OR AFFIRMATION

I, Bruce J. Smith, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Van Eck Capital, Inc., as of December 31, 2002, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

ALISON Y. EMANUEL  
NOTARY PUBLIC, STATE OF NEW YORK  
NO. 01EM5077310  
QUALIFIED IN QUEENS COUNTY  
COMMISSION EXPIRES MAY 5, 2003



Signature

SA VP & CFO

Title

Alison Y. Emanuel  
Notary Public

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Cash Flows.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**VAN ECK CAPITAL, INC.**  
(a wholly owned subsidiary of  
Van Eck Associates Corporation)

**STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2002**

# Eisner

Richard A. Eisner & Company, LLP  
Accountants and Consultants

750 Third Avenue  
New York, NY 10017-2703  
Tel 212.949.8700 Fax 212.891.4100  
www.eisnerllp.com

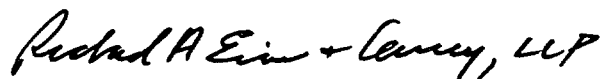
## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Van Eck Capital, Inc.  
New York, New York

We have audited the accompanying statement of financial condition of Van Eck Capital, Inc., a wholly owned subsidiary of Van Eck Associates Corporation, as of December 31, 2002, that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of Van Eck Capital, Inc. as of December 31, 2002, in conformity with accounting principles generally accepted in the United States of America.



New York, New York  
February 6, 2003

**VAN ECK CAPITAL, INC.**

(a wholly owned subsidiary of Van Eck Associates Corporation)

**Statement of Financial Condition****December 31, 2002****ASSETS**

Due from clearing broker	\$ 789,039
Deposit with clearing broker	100,000
Investment in not readily marketable security, at fair value	3,300
Investment in affiliated limited partnership	2,760,952
Commissions receivable	<u>77,598</u>
	<u>\$ 3,730,889</u>

**LIABILITIES AND STOCKHOLDER'S EQUITY**

## Liabilities:

Due to parent and affiliated companies	<u>\$ 283,115</u>
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## Stockholder's equity:

Common stock, par value \$.001 per share; authorized and issued 10,000 shares	10
Additional paid-in capital	624,990
Retained earnings	<u>2,822,774</u>
	<u>3,447,774</u>
	<u>\$ 3,730,889</u>

**VAN ECK CAPITAL, INC.**

(a wholly owned subsidiary of Van Eck Associates Corporation)

**Notes to Statement of Financial Condition  
December 31, 2002****NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES****[1] Nature of business:**

Van Eck Capital, Inc. (the "Company") is registered as a broker/dealer with the Securities and Exchange Commission and is a member of the National Association of Securities Dealers, Inc. The Company's revenue is derived mainly from agency commissions for the execution of trades and fees for financial consulting. The Company is a wholly owned subsidiary of Van Eck Associates Corporation.

**[2] Summary of significant accounting policies:****(a) Basis of accounting:**

The Company operates under the provisions of Paragraphs (k)(2)(ii) for domestic securities transactions and (k)(2)(i) for most foreign securities transactions of Rule 15c3-3 of the Securities and Exchange Commission and, accordingly, is exempt from the remaining provisions of that rule. Essentially, the requirements of Paragraph (k)(2)(ii) provide that the Company clear all transactions on behalf of customers on a fully disclosed basis with a clearing broker/dealer, and promptly transmit all customer funds and securities to the clearing broker/dealer. The requirements of Paragraph (k)(2)(i) provide that the Company will not carry customer margin accounts, hold customer funds or safe keep customer securities. The clearing broker/dealer carries all of the accounts of the customers and maintains and preserves all related books and records as are customarily kept by a clearing broker/dealer.

**(b) Valuation of investments:**

Investments in securities are valued at quoted market prices or at management's estimates of fair value for certain positions for which there is a limited market.

The Company is a limited partner in an investment partnership affiliated by common management. The investment is valued based upon the valuation of the underlying partnership's investments in securities.

**(c) Income taxes:**

The Company files its federal, New York State and New York City income tax returns on a consolidated basis with its parent and other approved related companies. The members of the consolidated group have elected to allocate income taxes among the members of the group under a method by which the parent makes payments to the Company or the Company makes payments to the parent for the income tax reductions or increases resulting from the Company's inclusion in the consolidated returns. Income taxes currently payable are included in due to parent company on the accompanying statement of financial condition.

**(d) Use of estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

**VAN ECK CAPITAL, INC.**

(a wholly owned subsidiary of Van Eck Associates Corporation)

**Notes to Statement of Financial Condition  
December 31, 2002****NOTE B - AFFILIATED PARTIES**

The Company derives substantially all of its commission income by acting as broker/dealer for trading performed by certain Van Eck related entities.

The Company does not maintain its own operating cash account since Van Eck Absolute Return Advisors Corporation ("VEARA"), another wholly owned subsidiary of Van Eck Associates Corporation, has agreed to pay on behalf of the Company substantially all of the operating expenses incurred by the Company in the ordinary course of its business.

**NOTE C - STOCK APPRECIATION RIGHTS PLAN**

The Company participates in a Stock Appreciation Rights Plan (the "Plan") maintained by its parent company. The Plan provides for a nontransferable 'equity' type of participation based on the success of the Company.

**NOTE D - TRANSACTIONS WITH CLEARING AGENT**

The agreement with the clearing agent requires the Company to maintain a minimum of \$75,000 as a deposit in an account with the agent.

**NOTE E - NET CAPITAL REQUIREMENT**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of a minimum amount of net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2002, the Company had net capital and net capital requirements of \$666,598 and \$100,000, respectively. The Company's ratio of aggregate indebtedness to net capital was .42 to 1.

**NOTE F - OFF-BALANCE-SHEET RISK AND CREDIT RISK**

As discussed in Note A, the Company's customers' securities transactions are introduced on a fully disclosed basis with its clearing broker. The clearing broker carries all of the accounts of the customers of the Company and is responsible for execution, collection and payment of funds, and receipt and delivery of securities relative to customer transactions. Off-balance-sheet risk exists with respect to these transactions due to the possibility that customers may be unable to fulfill their contractual commitments, and the clearing broker/dealer may charge any consequent losses it incurs to the Company. The Company seeks to minimize this risk through procedures designed to monitor the credit worthiness of its customers and the proper recordation of transactions by the clearing broker. The Company's policy is to monitor its market exposure and counterparty risk. The Company has a policy of reviewing, as considered necessary, the credit standing of each counterparty with which it conducts business.

Substantially all of the Company's cash, cash equivalents and security positions are deposited with its clearing broker for safekeeping, collateral or margin purposes. The clearing broker is highly capitalized and a member of major stock exchanges.